

**ECONOMIC RENEWAL:
COMMUNITY REUSE OF FORMER MILITARY BASES
April 21, 1999**

We have survived, and most of our citizens agree that we are better off today than prior to closure.

Katy Podagrosi, former mayor of Rantoul, Illinois,
where Chanute Air Force Base was closed in 1993

Summary

Between 1988 and 1995, the federal government selected 97 major military bases for closure, and 62 of the 74 closures that involve a significant community impact have already occurred, most since 1993. Although many communities feared that the closing of a nearby military base would be their economic death knell, in practice it has been the starting bell for charting a new economic future. Because of extraordinary local leadership, combined with a strong economy and President Clinton's commitment to help affected communities, closing military bases are becoming engines of local economic renewal all across the country.

While the task of remaking the economic foundation of a community is never easy, a closed base can be a community's single greatest asset in charting a different future. Experience indicates that communities that lost a base in the 1960s and 1970s have used the facilities to create, on balance, more new jobs than were lost. And among post-1988 closures, nearly half of civilian jobs lost have been replaced. A recent *Forbes* article entitled, "Close a base, create a job," reflects the growing recognition that closing bases can help communities build stronger, more diverse local economies.

Strong local leadership is critical for rapid reemployment of facilities and workers no longer needed by the military. Plans for economic renewal must come from the community organizations, firms and workers with a stake in an affected region's future. Together they can create and help realize an economic vision appropriate for the region.

The federal government's role is to foster local reuse efforts by making it easier for communities to utilize newly available assets. Despite some outstanding reuse successes, prior to 1993, the federal government had not done a very good job of closing military bases. In a sharp departure from the past, President Clinton in 1993 announced a five-part program to give top priority to early reuse of closing bases' valuable assets by the host communities. The Administration has focused on rapid redevelopment and creation of new jobs in base closure communities by: catalyzing the local planning process, transferring property at an affordable price, investing in infrastructure improvements to make property more attractive, helping to pay for training that gives workers skills needed in the local economy, and cleaning up environmental contaminants left by the military. These federal contributions have helped to attract and complement private sector investment in new business activity on closing bases.

As a result:

More than 50,000 civilian jobs have been created at bases closed since 1988; this represents 48 percent of the civilian jobs lost due to closure.

More than 1,300 private and public sector employers now operate at closed bases.

And 15 communities have already created more civilian jobs at their former bases than were lost due to the closure.

In December 1998, the General Accounting Office (GAO) reported that “the majority of the communities surrounding closed bases are faring well economically in relation to the national average and show some improvement since the time closures were beginning.” According to GAO:

As of 1997, about two-thirds of the communities affected by post-1988 closures (42 of 62) had an unemployment rate at or below the national rate of 5.1 percent. By comparison, in 1988, only 60 percent of the communities (37 of 62) had unemployment rates at or below the U.S. average (then 5.5 percent).

Rural communities seemed to be doing about as well as cities.

Behind these statistics are the many compelling stories of individual communities that have turned a closing military facility into an engine for generating job-creating private investment:

In Alameda, California, where aircraft were once overhauled at the Alameda Naval Air Station, Hollywood movie studios are now shooting films and incubator start-up companies are working to bring improved electric cars and other new technologies to market. To date, 63 tenants have created 1,364 jobs.

In Ayer, Massachusetts, at the former Fort Devens, a Gillette manufacturing and distribution complex has taken the place of Army operations; rail cars at a Boston & Maine Railroad intermodal facility have replaced jeeps; and 1,500 civilian jobs now exist where there was once a military payroll.

And in Austin, Texas, the former Bergstrom Air Force Base will shortly become the new Austin-Bergstrom International Airport, and what once was division headquarters for the 12th Air Force will soon be a Hilton Hotel. With 25 gates and 260 flights a day, the airport is expected to accommodate six million passengers in its first year alone.

These and other base reuse success stories are described in more detail below.

These success stories notwithstanding, the process of making bases available for reuse is still too slow and cumbersome, and unnecessary federal requirements still hinder communities' ability to create jobs and promote revitalization. The biggest remaining problem, as the GAO report underscored and as many communities can attest, is the slow pace of federal property disposal.

To promote more rapid property disposal and assist base closure communities, the Department of Defense will ask Congress for the authority to transfer property to local redevelopment authorities (LRAs) at no cost if it is to be used for job-generating economic development. At President Clinton's request, in 1994 Congress gave DoD the authority to transfer such property at below fair market value. DoD has completed 35 of these special property transfers -- called Economic Development Conveyances (EDCs) -- and 16 more are pending. Although the military services have provided many of these EDCs at considerable discounts, the need for an appraisal and lengthy negotiations between the community and DoD has significantly delayed transfer and redevelopment of the property. A policy of no-cost EDCs will eliminate these time-consuming steps, thereby speeding property transfer and reuse and reducing DoD's cost to maintain and operate the property. This policy also will reduce somewhat the daunting costs of reusing former military bases, allowing communities to invest more quickly in infrastructure modernization and redevelopment.

In addition, the Defense Department is organizing a Base Reuse "Red Team" composed of senior military and DoD civilian officials to implement the new EDC policy and tackle remaining problems with base reuse. This Red Team will try to resolve problems at specific bases and propose structural changes to improve the reuse process for all closing bases.

Pre-1993 System was "Broke"

The federal government's system for making closed military bases available for reuse prior to 1993 was "broke." When the federal government closed a base -- which was often the largest employer in the region -- it provided little transition assistance. Thus communities were forced to cope with a jarring economic upheaval without adequate tools or resources. Moreover, many bases were heavily polluted, and it took years to complete environmental reviews, before cleanup efforts could even begin.

The most serious obstacle to economic redevelopment was the military's property disposal process, as the President's 1993 plan acknowledged:

Disposal of the land, buildings and movable property on military bases has been slow, bureaucratic and penny-pinching. Many businesses wanting to locate on a newly closed base have been unable to get an interim lease because of Pentagon red tape. And disputes over "fair market value" of military property have resulted in the worst of both worlds: land and buildings that could support commercial activity and create jobs sit idle, while DoD continues to pay to maintain property it doesn't need.

President's Five-Part Plan

Admitting that “the federal government has not done a very good job of closing bases in the past,” the President announced his new policy at a July 1993 press conference with a number of his Cabinet members present. In a “sharp departure from the past,” the President said the top goal was rapid redevelopment and creation of new jobs, through:

- Jobs-centered property disposal that puts economic redevelopment first
- Fast-track environmental cleanup
- Easy access to transition help for workers and communities
- Larger economic planning grants
- “Transition coordinators” assigned to every major base

Jobs-centered property disposal was the core of the President's plan. To correct past problems, the plan called for the military departments to:

- transfer property at low or no cost if used for job-creating economic development
- encourage interim leases
- emphasize the needs of the community with respect to personal property

Congress subsequently endorsed the President's new approach by enacting the Base Closure Communities Assistance Act of 1994 (also known as the “Pryor amendment” for its Senate sponsor). Most important, the act authorized conveyances of base property at below fair market value to local redevelopment authorities if the property were used to generate jobs.¹

Significant Progress

Based on the President's plan, DoD established a community-based process for making closed bases available for reuse, spearheaded by its Office of Economic Adjustment:

Community-based organization: To receive federal assistance, communities must form a Local Redevelopment Authority (LRA) that represents all major groups and communities affected by the closure and that is responsible for developing and implementing a base reuse plan. Among other things, the LRA is the only eligible

¹Existing federal law allowed DoD to transfer base property for free for a variety of “public” uses, including recreation, aviation, education and health. Yet it required DoD to charge full price when base property was to be used for job-generating economic development.

recipient for an Economic Development Conveyance.

Community-based planning and implementation: The LRA's reuse plan, reflecting the community's consensus as to how a closed base should be redeveloped, serves as the blueprint for all federal property disposal and reuse decisions. For example, the military departments must consider the reuse plan in deciding which personal property should stay at the base, and the reuse plan is the preferred alternative in DoD's environmental impact review. It also provides the basis for DoD's valuation of property under an EDC.

This community-based approach has led to significant progress in every component of the President's 1993 plan:

Jobs-centered property disposal:

As noted above, DoD has completed 35 ***Economic Development Conveyances***, with 16 more pending. The completed EDCs total 30,500 acres and account for a large share of the 50,000 civilian jobs created to date. Despite the need for improvement, EDCs represent a significant reform of the base reuse process, because they allow communities to acquire property at reduced prices if it will be used to create local jobs.

Although ***interim leases***, like other forms of property disposal, still take longer than they should, DoD's interim leasing policies have been revamped and streamlined. To date, more than 1,000 job-generating tenants have located at major closure sites under interim leases.

The requirement that military departments consider the reuse plan in deciding what ***personal property*** can remain at the base has resulted in community-friendly property transfer agreements that foster immediate reuse. The days when the departing military department stripped out the sprinkler systems and blackboards are gone.

In addition to these improvements, the federal government has continued to approve "public benefit conveyances" of former base property to support community needs for airports, parks, ports, and health and education facilities. Nearly 27,000 acres have been transferred for these public uses.

Fast-track cleanup: Compared to pre-1993, environmental cleanup of closing bases occurs faster and with better coordination between federal, state and local officials. Moreover, in terms of key milestones, base closure cleanup teams (BCTs) -- partnerships among DoD and federal and state environmental regulators -- have been established at all closing bases, and at most sites a Restoration Advisory Board provides community input to the cleanup process. Although much remains to be done, and the cleanup process at many bases will take years to complete, DoD has made considerable progress in moving property through the cleanup process: For 80 percent of the property slated for transfer, the investigation and remediation of contamination are either

complete or underway, and the property is suitable for immediate transfer.

Easy access to transition help: As of late 1997, four key federal agencies had provided more than \$1 billion in assistance to post-1988 base closure communities.²

<u>Agency</u>	<u>Assistance</u>	<u>Communities Helped</u>
Office of Economic Adjustment	\$239M	>100
Department of Labor	\$205M	56
Economic Development Admin.	\$334M	44
Federal Aviation Administration	\$270M	27

To make it easier for communities and workers to access these funds, beginning in 1993, the agencies formed “SWAT teams” and conducted site visits to some of the larger bases soon after closure was announced. The agencies also streamlined their application procedures so that they could award funds more quickly.

Larger economic planning grants: The Clinton Administration has given DoD’s Office of Economic Adjustment the resources and support to do its job even better. OEA now begins helping communities sooner and provides larger grants -- about \$1 million over five years for most communities and up to \$5 million for the hardest-hit communities. OEA’s support has helped communities reduce the time it takes them to develop a reuse plan from 57 months (for 1988 closures) to only 21 months (for 1995 closures).

Transition coordinators: Less than a week after the President announced his 1993 plan, DoD had named senior military officials to serve as transition coordinators to every major closing base. More than 100 individuals have served as transition coordinators to date, working as ombudsmen to help communities get information and solve problems, and many serve for five or more years. Currently, 55 transition coordinators are in place at closed or closing bases.

Need for Additional Reforms: No-Cost EDCs and Base Reuse “Red Team”

Although the President’s 1993 plan has led to major improvements in the base reuse process, and communities’ record of job creation is impressive, problems remain. GAO’s report as well as a recent report by the National Association of Installation Developers both point to the continuing slow pace of property disposal as the major remaining federal obstacle to reuse efforts.

²Other federal assistance includes benefits from the military departments to civilian employees of closing bases and Department of Labor funds, awarded to states on a formula basis, that in turn go to affected workers.

To promote more rapid disposal of property for job-creating economic development, the Department of Defense will ask Congress for the authority to transfer EDC property to LRAs at no cost. Congress has already provided for the no-cost transfer of EDCs at rural bases. The requested authority would extend that policy to all EDCs. Currently, the military departments provide many EDCs on terms that represent a considerable discount, in keeping with the spirit of the President's 1993 plan.³ However, EDCs require communities to go through a time-consuming application and review process, and the military departments must conduct detailed appraisals of property proposed for an EDC -- a difficult task given the lack of "comparable" properties. Subsequent negotiations between DoD and the LRAs (which generally conduct their own appraisal) often become adversarial. This process significantly delays property transfer, raising costs for DoD, which must continue to maintain and operate the property, as well as for communities.

By adopting a policy of no-cost EDCs, the federal government can speed job-creating economic redevelopment even as it reduces its own costs. Specific details of this proposed policy include:

Consistent with existing policy, LRAs would be the only eligible recipients for no-cost EDCs; and any economic benefit from the property must be invested in redevelopment of the base or surrounding community.⁴

DoD will seek to make the legislation authorizing this new policy retroactive to April 1999, so as to minimize disruption to pending EDC applications.

To implement this new EDC policy and to tackle remaining problems with the base reuse process, the Defense Department is organizing a base reuse "Red Team" composed of senior military and DoD civilian officials. The Red Team, which Defense Secretary Cohen first announced last month, will identify the most serious problems at specific bases that are frustrating community reuse efforts and work to quickly find solutions to these problems. It also will propose structural changes to streamline the reuse process more broadly.

³DoD calculates the fair market value of the EDC as the cumulative net cash flow projected to result from the LRA's approved reuse plan over 15 years (i.e., expected income minus planned investments). Although the military departments require communities to pay the fair market value for most (non-rural) EDCs, they often defer payment for a number of years. As a result of these favorable terms, the present value of what DoD charges for EDCs often represents a significant discount below fair market value.

⁴If the LRA or its successor chose not to invest economic benefit from the EDC in development of the base or surrounding community, DoD would recoup an appropriate portion of either the original value of the property or the revenue generated from use of the property.

BASE REUSE SUCCESS STORIES

Alameda Naval Air Station/Naval Aviation Depot, Alameda, CA (BRAC 93; closed Apr 97)⁵ – With more than 1,000 new jobs already on base, the newly named Alameda Point has a very promising future. Manex Entertainment, a leading special effects film production company, has established its international headquarters at the former air station with the intention of making the site a major film production center. ACET, the Alameda Center for Environmental Technology, a small business incubator sponsored by California State University, has been in operation since 1998 and currently serves 10 start-up companies. Advanced transportation industries are another emerging specialty on the base. The CALSTART hatchery, a public/private partnership devoted to promoting these industries in California, currently operates out of a former helicopter repair hangar. The hatchery is home to 14 start-up companies employing more than 200 people; among the companies are several electric car manufacturers and CyberTran, which is using a nearby track to test a highly automated light rail transportation system. The U.S. Fish and Wildlife Service will retain 525 acres at Alameda Point as a National Wildlife Refuge for the least tern.

Bergstrom Air Force Base, Austin, TX (BRAC 91; closed Sep 93) – "Fly Austin – The Sky's the Limit" is the theme for this month's grand opening of the new Austin-Bergstrom International Airport, located at the former Bergstrom Air Force Base. In 1993, when Bergstrom closed, the economic loss to Austin from the closure was estimated to be more than \$400 million a year. Today, Austin expects to have 16,000 new jobs associated with the airport by 2012 and more than 725,000 square feet of new development drawn to the surrounding area. Two office buildings have already gone up near the base in anticipation of the airport. In the coming weeks, a series of celebrations will kick off the opening of the last major U.S. airport likely to be built this century and the first former military base to become a major commercial airport. Cargo operations actually began in mid-1997. On May 2, the first scheduled passenger flight will land, ushering in a new era of air service for Austin and central Texas. With 25 gates and 260 flights a day, the airport will accommodate six million passengers in its first year alone. By transforming Bergstrom into a \$690 million international airport, the City of Austin estimates it saved \$200 million in land acquisition and runway construction costs. The Federal Aviation Administration contributed more than \$65 million

⁵BRAC refers to the Base Realignment and Closure Commission. The number following "BRAC" indicates the year in which the base was selected for closure. The second date refers to the month and year in which the base was officially closed.

for airport redevelopment and construction. One of the most distinguishable of Bergstrom's old buildings, the 12th Air Force Division headquarters, called "The Donut" due to its unique design, will reopen as a Hilton Hotel in Spring 2000.

Castle Air Force Base, Merced County, CA (BRAC 91; closed Sep 95) – Castle Airport, Aviation and Development Center, as the base is now called, is currently home to 64 tenants and 2,150 civilian employees. Pacific Bell, with 850 employees, opened its new Customer Care Center in 1997. Pacesetter Industries, with 511 employees, is rapidly expanding its modular building manufacturing business in a former hangar. Allco, a truck trailer manufacturer, has 150 employees working in seven different buildings and is growing. The Castle Air Museum, with an outstanding collection of military aircraft, will be associated with a larger, privately developed 60-acre theme park, the U.S. Aviation and Exposition Center. Castle Vista, a 77-acre, 240-unit housing complex built in 1972, is now owned by Western Care Construction Company, which plans to turn the existing units into affordable senior rental housing. An airport operator is under contract, and general aviation activity is expanding. The Federal Bureau of Prisons is constructing an \$80 million facility, which will create 350 new jobs. The state has designated the site a Local Agency Military Base Recovery Area, which will make available a package of incentives for business tenants similar to that of an Enterprise Zone.

Chanute Air Force Base, Rantoul, IL (BRAC 88; closed Sep 93) – Today there are more than 70 industrial and commercial tenants on the property, occupying more than 1.3 million square feet of space. These businesses have created 1,416 new jobs, surpassing the level of civilian employment at the time of the closure announcement, and they produce more than \$1.2 million in annual revenues. Major new businesses include Textron, a manufacturer of plastic automotive parts, and a microfilm processing and document storage facility. The newly established civilian airport met its tenth-year projections in just two years, and currently handles more than 700 air operations a month. And more than 900 families now occupy former base housing. One related initiative offers an innovative foster care program, a medical clinic, and housing for the elderly. In addition, the former base now provides 135 acres of parks and recreational opportunities.

Charleston Naval Base, Charleston, SC (BRAC 93; closed Mar 96) – Currently more than 85 private, local, state and federal entities are reusing this former shipyard and naval base. They include Deytens Shipyards, Charleston Marine Manufacturing, Charleston Marine Containers, Carolina Marine Handling, the U.S. Postal Service, the U.S. Coast Guard, Defense Finance Accounting Service, National Oceanic and Atmospheric Administration, the State Department, and the Immigration and Naturalization Service Border Patrol. The South Carolina Ports Authority has been granted a 30-year lease, which will allow it to establish a major marine cargo handling facility. Altogether, 5.7 million square feet of building space are currently occupied, accommodating 4,171 jobs, of which 1,091 are filled by former base workers. The State Department selected the base as the site for a new Passport Center and will invest \$10 million in the facility, which will process a third of all passports nationwide. The center,

which will begin operations in 1999, is expected to create 300 new jobs. Over the past year, six movies were filmed at the former base, including Major League II, C.S.S. Hunley and the American Tempest.

England Air Force Base (AFB), Alexandria, LA (BRAC 91; closed Dec 92) – The England Industrial Airpark is one of the most successful examples of base reuse in the country. The England Economic and Industrial Development Authority has 55 tenants on the former base employing 1,500 people, more than double the civilian employment at the time of closure. The city of Alexandria relocated its municipal airport to England, and the facility currently handles 80,000 passengers a year. The state has leased the base hospital; Rapides Parish is using the base school; the state university has leased a classroom building; and a private aviation maintenance company, Pride International, L.L.C., is using a hangar and other buildings. With lease and other revenues now totaling more than \$5 million a year, the Airpark is economically self-sufficient. Other major tenants include Central Louisiana Electric Company, England Jet Center, International Computer Services, Louisiana Air National Guard, Program Services, American Eagle Airlines, Atlantic Southeast Airlines and the U.S. Marshal Service. The non-profit California Lutheran Corporation has leased 185 units of base housing on 60 acres to create a retirement community. The State of Louisiana recently announced plans to invest approximately \$8 million to upgrade the golf course and build a regional conference center.

Fort Benjamin Harrison, Lawrence, IN (BRAC 91; closed Sep 96) – Fort Benjamin Harrison is located 13 miles northeast of downtown Indianapolis. The State of Indiana has purchased the 238-acre, 18-hole golf course and acquired approximately 1,462 acres of pristine forest land and wildlife habitat for use as a state park through a public benefit conveyance. The Fort Harrison Reuse Authority acquired the 550-acre former Main Post area via an Economic Development Conveyance. Subsequently, the city designated the site as an Enterprise Zone, allowing for certain tax exemptions to attract new businesses. To date more than 163 acres have been resold to developers and 735 jobs created; a 107-acre tract will accommodate new commercial, industrial and residential development. Total property sales have exceeded \$8.5 million, with purchasers agreeing to upwards of \$1.4 million in building renovations. Construction is complete on a new 19,000 square-foot medical office building, and the City of Lawrence has begun construction on a new government center that will house all city and township offices.

Fort Devens, Ayer, MA (BRAC 91; closed Mar 96) – More than 1,470 new jobs have been created at Devens. In 1996, the State of Massachusetts purchased 3,040 acres, including all utility systems, for \$17.9 million through an Economic Development Conveyance. In the three years since conveyance, more than 100 acres have been sold and about one million square feet of new construction has occurred. Occupants range from small companies that form a business incubator to the Gillette Corporation. In addition, about 200,000 square feet of existing buildings have been leased. Devens also has signed purchase and sale agreements with three other developers, which will result in about 600,000 square feet of new

development in the next few years. Gillette occupies an \$18 million warehouse and distribution center on 26 acres and a \$50 million manufacturing plant on an adjacent 22-acre site. The Boston & Maine Railroad leases property for a railhead and intermodal transportation facility. The Bureau of Prisons has acquired 245 acres for a regional prison medical facility. And the Department of the Interior has acquired approximately 890 acres of land for inclusion in the Oxbow National Wildlife Refuge.

Fort Ord, Monterey County, CA (BRAC 91; closed Sep 94) – More than 1,100 new jobs have been created at the former Fort Ord -- 40 percent of the civilian jobs lost. Education activities have led the economic recovery: California State University created a new campus, Monterey Bay, at the former base and invested more than \$70 million; Cal State Monterey Bay employs 637 people and serves more than 1,200 students. Other educational institutions have acquired property at Fort Ord, including a University of California Science and Technology Center, Monterey Peninsula Unified Schools District, Golden Gate University, Monterey College of Law, and Monterey Institute for Research and Astronomy. The Marina Airport, formerly Fritzsche Army Airfield, hosts several private firms and boasts the creation of more than 200 new jobs. In addition, the former base hospital has been converted to a Defense Finance Accounting Center that employs 109 people. Finally, the Bureau of Land Management is preserving more than 7,000 acres that are home to several threatened or endangered animals.

Gentile Defense Electronics Supply Center, Kettering, OH (BRAC 93; closed Dec 96) – The City of Kettering acquired this 164-acre site via an Economic Development Conveyance in 1996. Reuse is well underway, with more than 1,925 people employed. Banc One, the nation's fourth largest private label credit card business, occupies nearly 400,000 square feet of space made available when the Defense Electronics Supply Center closed. The bank now employs 1,200 people and estimates that it will add another 1,800 jobs over the next four years. The Defense Finance and Accounting Service opened a center that currently employs about 520 people, a private printing company created 70 jobs, and the county has 40 employees on site. In recognition of its success, the National Association of Installation Developers named Gentile "Installation of the Year" in 1998.

Griffiss Air Force Base, Rome, NY (BRAC 93; closed Sep 95) – More than 1,175 new jobs have been created at the former Griffiss Air Force Base since 1995 -- an employment base that is both diverse and expanding. A Defense Finance and Accounting Service center has 393 employees. Orion Bus Industries leases space to modify buses to comply with environmental emissions regulations. Orion and the General Electric Capital Test Equipment Management Service Company together employ 122 people. Baker Electromotive, a manufacturer of electric and alternative fuel vehicles, will soon lease 50,000 square feet of space and create 100 new jobs. Located in Oneida County, the base is home to the renowned Rome Laboratories and the New York State Technology Enterprise Corporation, which finances and invests in technology transfer within the region. The county has acquired half of the site, approximately 1,500 acres, via an Economic Development Conveyance and plans to

consolidate and expand its airport operations at the former air facility. Griffiss will play host to Woodstock 1999, a music extravaganza expected to bring more than 250,000 visitors to upstate New York in July.

Indianapolis Naval Air Warfare Center - Aircraft Division, Indianapolis, IN (BRAC 95; closed Sep 97) – The NAWC - Aircraft Division is an example of successful “privatization in place.” Although the military operation ended in 1997, the facility continues to design and manufacture avionics and guidance mechanisms for jet fighters, submarines and satellite ground stations for the Defense Department. The Navy and community leaders worked diligently and cooperatively to forge a redevelopment plan for the installation to support privatization in place, thereby retaining more than 2,000 former defense jobs at the installation and creating an additional 1,700 jobs through reuse. Raytheon Technical Services Company, formerly Hughes Technical Services, was selected to direct the privatization effort. The Indianapolis Metropolitan Development Commission recently acquired the entire 163-acre site. While privatization is the preferred reuse scenario for the main facility, the rest of the property, approximately 70 acres, will be redeveloped as a technology park. The plan is to create more than 3,000 jobs through privatization of existing facilities and an additional 3,000 jobs in the new technology park.

Kelly Air Force Base, San Antonio, TX (BRAC 95; will close Jul 2001) – Public-private competition for the last of the two major San Antonio Air Logistics Center/Kelly Air Force Base workloads has been completed. In February, the Air Force awarded the engine workload to the Oklahoma City Air Logistics Center at Tinker Air Force Base, representing a \$10.1 billion contract over 15 years. Tinker’s subcontractor, Lockheed Martin Kelly Aircraft Co., will perform a majority of this engine workload in San Antonio in facilities leased from the Greater Kelly Development Corporation (GKDC). Lockheed has said it will need 1,300-1,500 workers at Kelly to perform this work. In early 1998 the GKDC and the Boeing Company signed a lease for 1.3 million square feet in four aircraft hangers for a large maintenance and modification center for military and commercial aircraft. The Boeing Aerospace Support Center is projected to employ up to 2,000 workers by the end of 2000. Concurrently, the Defense Logistics Agency (DLA) outsourced the management of the Kelly Distribution Depot -- a \$30 million workload. Nearly all the remaining 300 DLA workers were hired by the contractor, EG&G. Earlier GKDC negotiated three other major commercial leases with Rail Car America, Pratt & Whitney and Ryder. Approximately 5.3 million square feet of space is now in reuse at Kelly.

K. I. Sawyer Air Force Base, Marquette, MI (BRAC 93; closed Sep 95) – Marquette County, situated in a rural and economically depressed region of Michigan’s Upper Peninsula, has succeeded in creating 816 jobs at the site of the former K.I. Sawyer Air Force Base – more than the number lost as a result of the 1995 closure. The major employers include an aircraft maintenance division of American Eagle and Sawyer Lumber, a \$24 million, state-of-the-art lumber mill. In an interesting and adaptive reuse, the Potato Growers’ Association of Michigan is converting the central heating plant, which was originally scheduled for

demolition, into a potato processing facility. The county intends to move its existing airport to the former military base. The grand opening of the new airport and commercial terminal is scheduled for Fall 1999.

Lowry Air Force Base, Denver, CO (BRAC 91; closed Sep 94) – The Lowry Redevelopment Authority's reuse plan, which calls for a mixture of residential, educational, recreational and commercial development, has resulted in the creation of almost 1,500 new jobs at the former Air Force technical training center. Coupled with the institutions that remained after closure -- the Defense Finance and Accounting Service and the Air Reserve Personnel Center -- total employment exceeds 4,350. The Redevelopment Authority has broken ground on a 300-unit residential development and eventually plans to build 3,400 new units. The Higher Education and Advanced Technology Center employs 200 people and serves 2,500 students. Funding has been secured via revenue bonds for \$33 million in roadway and utility improvements. The Colorado Golf Association has acquired and is operating the Lowry golf course.

Mare Island Naval Shipyard, Vallejo, CA (BRAC 93; closed Mar 96) – The closure of this 143-year-old shipyard resulted in the loss of 7,567 civilian jobs in a city of fewer than 120,000 residents. Since then, nearly 1,000 new jobs have been created. Tenants include a custom metal fabrication shop, a paint and coatings company, a lumber distributor, and an elementary school. Film production companies have used the site as a movie locale. The new U.S. Forest Service regional headquarters, a Veterans Administration clinic, and the campus of Tuoro University will add several hundred more jobs in 1999. Tuoro University will invest \$5 million in building renovations. There are currently four large real estate development firms working with the city to redevelop the base and implement the community reuse plan. An Economic Development Conveyance should be executed this spring.

Mather Air Force Base, Sacramento, CA (BRAC 88; closed Sep 93) – Mather Airport, the new civilian airport at the former Mather Air Force Base, has become the air cargo hub of the Sacramento region in the two years since it opened. United Parcel Service, Emory Worldwide, Airborne Express, and BAX Global, formerly Burlington Express, are making excellent use of the 11,300-foot runway and related aviation facilities. The airport also offers daily executive jet service to and from San Jose, linking the Sacramento region's growing number of high-tech enterprises to Silicon Valley. In all, the former base is host to more than 50 tenants, who employ more than 2,300 workers. In addition to these industrial and commercial activities, Sacramento County established a homeless complex and acquired 1,440 acres of land for new parks. A new housing community, Independence, is scheduled to open at the site on July 4th.

Myrtle Beach Air Force Base, Myrtle Beach, SC (BRAC 91; closed Mar 93) – Almost \$25 million has been spent to create the new Myrtle Beach International Airport. This and other investments have resulted in 1,088 new jobs, with the Horry County Aviation Department employing more than 400 people to operate the airport. Aviation related businesses account for an additional 100 jobs. Other reuses of the former air base include residential properties,

education facilities, recreation opportunities, city and government agencies, and a range of small businesses. AVX Corporation, a high-tech firm, purchased 69 acres in 1994 to expand its operations. A 777-unit rental housing community, which began operations on the former base in mid-1997, is now about 70 percent occupied. Almost all property at the base has been conveyed by deed or is under lease, including through a 420-acre Economic Development Conveyance that was approved in 1997. Taking advantage of Myrtle Beach's reputation as a world-renowned golf resort, the county retained the 250-acre 18-hole golf course for public use.

Norton Air Force Base, San Bernardino, CA (BRAC 88; closed Mar 94) – Working together, the Inland Valley Development Agency (IVDA) and the San Bernardino International Airport Authority have attracted 84 tenants that employ 2,225 people. IVDA has leased 1.25 million square feet. Tenants include TRW, with 389 workers; Curtis Industries, employing 200 people; and a Defense Finance and Accounting Center, with 276 employees. These anchor tenants have catalyzed other on-site activities, including a business incubator with 17 start-up companies.

Orlando Naval Training Center/Naval Hospital, Orlando, FL (BRAC 93; closed Apr 99) – The City of Orlando's reuse plan for the four sites that make up the former training center and hospital complex calls for mixed-use redevelopment, including business office parks, residential housing, multi-modal services, educational complexes, natural areas, and federal uses. The Navy has transferred property to several federal entities (Department of Veterans Affairs, Customs Service, and Defense Finance Accounting Service) resulting in more than 1,100 new jobs. Orlando has completed an Economic Development Conveyance with the Navy for the main base for future compensation totaling \$4.7 million. Other property will be transferred through public benefit conveyances to support education, aviation and recreation. The Orlando Community Redevelopment Agency has selected Orlando Partners, a consortium based in Atlanta, Chicago, and South Florida, as the master developer. During the proposed 10-year development process, Orlando Partners will spend more than \$500 million building 35,000 square feet of retail space, 1,500 million square feet of office space, 788 houses, 570 condominiums and 1,800 apartments.

Pease Air Force Base, Portsmouth, NH (BRAC 88; closed Mar 91) – The closure of Pease Air Force Base in 1991 resulted in the loss of 400 civilian jobs. Today, the new Pease International Tradeport supports more than 75 tenants employing 1,995 workers. Major tenants include the State Department's visa/passport processing center, the Redhook Ale Brewery, Cabletron, and Lonza Biologics Inc., a Swiss biotechnology manufacturing facility. Private investors have financed more than \$135 million in new construction at Pease. Major new buildings house Lonza, Redhook, Burgon Tool Steel, Marriott Hotels, First New Hampshire Bank, and Northeast Computer Brokers. New nose dock hangars and air cargo facilities also have been built. A new international passenger terminal opened in December 1998. Pan American Airlines has leased the main hangar and will employ up to 500 workers in aircraft maintenance, repair and passenger services. Lonza is constructing a major addition

that will create 150-200 new jobs. Also, the Celestica New England Company has built a 200,000 square foot electronic parts assembly facility at the Tradeport that will employ 150 people. Burgon Tool Steel, a pioneer at Pease, recently added 24,000 square feet of space, its second expansion.

Philadelphia Naval Base Complex, Pennsylvania, PA (BRAC 91; closed Sep 96) – A variety of industrial and commercial tenants employing nearly 700 people have set up operation at the former Philadelphia Shipyard and Naval Station. In late 1997, the Commonwealth of Pennsylvania, the Delaware River Port Authority, and the City of Philadelphia signed a development agreement with a Norwegian ship manufacturing firm, Kvaerner. The agreement calls for \$560 million in public and private investment and will result in 1,000 direct jobs and thousands more support jobs. Kvaerner intends to construct high-quality container ships and double-hull tankers to sail among U.S. ports. The company has begun facility design, demolition, and new construction, and is already employing 90 workers. The first ship is scheduled for launch in 2001. The federal government has made more than \$100 million available to Philadelphia and the State of Pennsylvania to encourage business development at the base and to customize work force training to meet current and future demand.

Sacramento Army Depot, Sacramento, CA (BRAC 91; closed Mar 95) – In one of the first Economic Development Conveyances to be executed, the Army transferred the deed to the Sacramento Army Depot to the City of Sacramento in March 1995. The former base is now known as Packard Bell Center, after the principal tenant, Packard Bell NEC Electronics, one of the country's largest manufacturers of desktop computers. The microcomputer manufacturer occupies 1.8 million square feet of the depot for its headquarters and manufacturing operations and employs about 2,000 workers (that workforce number, which has been as high as 5,000, varies to meet consumer demand). Under its agreement with the city, Packard Bell has an option to purchase the property in 10 years. In addition, the city expects to attract some of Packard Bell's suppliers, who will bring additional jobs. Foodlink, a charitable non-profit that got space under a public benefit conveyance, distributes food to needy Californians from the site and trains homeless people in computer skills. In all, 2,500 people are now working at the former base.

Tooele Army Depot, Tooele, UT (BRAC 93; closed Sep 95) – The Army transferred the first of two parcels of property, including the 400,000 square foot Central Maintenance Facility (CMF), to Tooele County in 1996. The community subsequently sold the state-of-the-art facility to Penske Industries for approximately \$10 million. As of October 1998, 412 people worked at the CMF, and total employment at the former depot exceeded 560. The Army transferred the rest of the 1,700-acre property to the community in January 1999.

Vint Hill Farms Station, Fauquier County, VA (BRAC 93; closed Sep 97) – Activities have significantly increased since the Army approved the Economic Development Conveyance in October 1998 to the Vint Hill Economic Development Authority. The Authority has entered into a joint partnership with Miller & Smith, a Northern Virginia land development and

housing construction firm. As master developer, Miller & Smith will build and operate an 18-hole golf course as well as develop all industrial, commercial and residential lots. Science Applications International Corporation (SAIC) announced plans to lease buildings at Vint Hill to establish its Facility for Advanced Research and Modernization, creating 200 jobs. The Federal Aviation Administration selected Vint Hill as the site for a \$93 million air-traffic control facility that will consolidate controller operations from Dulles International, Reagan National and Baltimore-Washington International Airports as well as Andrews Air Force Base. The facility will be operational by 2002, employing 300 FAA personnel.

Williams Air Force Base (AFB), Mesa, AZ (BRAC 91; closed Sep 93) – Now known as the Williams Gateway Airport, the former Williams Air Force Base has quickly established itself as an international aviation and aerospace center, with more than 30 companies currently engaged on site in aircraft maintenance and modification, avionics, flight training, and air cargo operations. The site has been designated as a Foreign Trade Zone. In addition, Williams Campus has been established as an education, training, and research facility by a consortium of local institutions including Arizona State University. After losing 728 civilian jobs at the time of closure, Williams now boasts more than 1,605 new jobs and is home to more than 2,300 college students and 600 high school students. Eventually, the Williams Gateway Airport and Williams Campus are expected to employ 17,000 people and serve more than 20,000 students. One major presence will be McDonnell Douglas, now part of the Boeing Company, which will locate two of its aviation programs (the T-38 Avionics Upgrade Program for the Air Force and a helicopter pilot and maintenance training program) at Williams later this year.

Wurtsmith Air Force Base, Oscoda, MI (BRAC 91; closed Jun 93) – This former air base is located in a rural township with a population of only 1,061 and in a county with a total population of only 30,209. The local economic adjustment effort benefited significantly from the no-cost rural Economic Development Conveyance. To date, there are more than 1,141 new jobs at the former base – compared to about 750 lost at the time of closure. Several on-base housing units were relocated throughout the region under a public-private initiative to provide affordable housing. The remaining units will be redeveloped on the base as a retirement and vacation community, using other public resources as leverage -- a model for creating affordable housing.